

## Auditor's Report

To the Shareholders of Chukai Public Company Limited:

I have audited the consolidated balance sheets of Chukai Public Company Limited and subsidiaries as at December 31, 2007 and 2006, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the years then ended, and I have also audited the separate balance sheets of Chukai Public Company Limited as at December 31, 2007 and 2006, and the related separate statements of income, change in shareholders' equity and cash flows for each of the years then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance as to whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the consolidated financial positions of Chukai Public Company Limited and its subsidiaries as at 31 December 2007 and 2006, and the consolidated results of their operations and their cash flows for each of the years then ended, and the separate financial positions of Chukai Public Company Limited as at December 31, 2007 and 2006, the results of its operations and its cash flows for each of the years then ended, in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to Notes 2 to the financial statements, the Company had ever issued the financial statements for the year ended December 31, 2006. Subsequently, the Company reissues the financial statements for the year 2006, which prepared on the basis of additional accounting principle in relation to the draft regulation for the consolidation under common control (see the basis of consolidated financial statements preparation). Regarding the objective of the Company, these financial statements were presented to the Office of the Securities Exchange Commission (SEC) in order to register as a listed company in the Stock Exchange of Thailand. Moreover, the Company changes its accounting policy and adjusted an error in the accounting record.

Prawit Viwanthananut  
Certified Public Accountant  
Registration Number 4917

ANS Audit Co., Ltd.

Bangkok, February 23, 2008

FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
CHUKAI PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARY COMPANIES  
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2007 AND 2006

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2007 AND 2006

(Unit: Baht)

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
<b>ASSETS</b>	3				
<b>Current Assets</b>					
Cash and cash equivalents		14,659,743.72	10,877,983.30	880,189.64	3,878,226.08
Current investments		119,028.34	115,785.59	-	-
Trade accounts receivable - net	5, 6	75,597,294.51	109,135,218.29	39,809,411.80	60,851,543.63
Account receivable from installment sales - net	7	1,218,383.28	3,703,807.70	1,218,383.28	3,703,807.70
Accounts receivable from sale of assets	5, 16	9,000,000.00	-	-	-
Receivable under repurchase agreement - net	11	-	-	-	-
Accrued income - net	5, 8	21,292,668.50	35,493,297.43	-	2,771,979.58
Short-term loans to related parties	5	-	-	-	19,295,894.86
Inventories - net	9	122,236,151.42	101,697,253.17	124,007,524.07	101,697,253.17
Other current assets - net	5, 13	33,404,704.61	27,904,921.76	21,529,456.73	5,745,031.54
<b>Total Current Assets</b>		<b>277,527,974.38</b>	<b>288,928,267.24</b>	<b>187,444,965.52</b>	<b>197,943,736.56</b>
<b>Non-Current Assets</b>					
Investments in subsidiaries	10	-	-	174,991,430.00	174,991,430.00
Restricted bank deposits	12	6,061,393.86	6,686,699.80	-	-
Property, plant and equipment - net	15	1,346,150,036.07	1,284,965,805.63	873,954,555.25	747,493,707.63
Non-operating assets	15, 16	2,066,960.00	6,046,960.00	-	-
Other non-current assets	5	19,780,899.93	5,025,911.22	6,965,262.87	485,727.58
<b>Total Non-Current Assets</b>		<b>1,374,059,289.86</b>	<b>1,302,725,376.65</b>	<b>1,055,911,248.12</b>	<b>922,970,865.21</b>
<b>TOTAL ASSETS</b>		<b>1,651,587,264.24</b>	<b>1,591,653,643.89</b>	<b>1,243,356,213.64</b>	<b>1,120,914,601.77</b>

The accompanying notes are an integral part of these financial statements.

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2007 AND 2006

(Unit: Baht)

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY	3				
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions	18	104,649,275.63	93,307,204.53	102,331,264.70	92,436,379.55
Trade accounts payable	5	25,279,040.60	41,402,383.21	94,111,970.59	44,862,768.67
Accounts payable from purchasing assets	5	-	14,300,000.00	-	14,300,000.00
Current portion of long-term debts	5, 22	230,233,176.40	191,579,828.01	147,212,642.27	113,947,841.74
Liabilities under repurchase agreement	23	60,110,913.64	60,110,913.64	-	-
Short-term loans from related parties	5	10,853,636.42	8,023,636.42	36,002,422.31	8,580,636.42
Other short-term loans	19	8,952,657.53	82,372.71	-	-
Advances received for goods	5	2,336,448.60	2,336,448.60	2,336,448.60	2,937,097.20
Accrued expenses	5	34,144,705.96	23,868,644.46	13,682,985.27	2,517,093.03
Accrued income tax		1,163,448.53	22,460,848.86	-	4,314,067.73
Other current liabilities	5, 20	19,570,024.04	21,806,449.56	7,719,394.19	9,592,933.93
Total Current Liabilities		497,293,327.35	479,278,730.00	403,397,127.93	293,488,818.27
Non-Current Liabilities					
Long-term debts	5, 22	444,342,551.75	481,815,647.63	333,039,038.17	329,636,996.55
Other non-current liabilities		12,383,314.36	11,812,693.93	392,231.50	526,012.86
Total Non-Current Liabilities		456,725,866.11	493,628,341.56	333,431,269.67	330,163,009.41
Total Liabilities		954,019,193.46	972,907,071.56	736,828,397.60	623,651,827.68

The accompanying notes are an integral part of these financial statements.

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2007 AND 2006

(Unit: Baht)

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY	3				
SHAREHOLDERS' EQUITY					
Share capital	25, 32				
Authorized share capital - 450,000,000 common shares in year 2007 and 350,000,000 common shares in year 2006, Baht 1 par value		450,000,000.00	350,000,000.00	450,000,000.00	350,000,000.00
Issued and paid-up share capital - 350,000,000 common shares, Baht 1 par value		350,000,000.00	350,000,000.00	350,000,000.00	350,000,000.00
Premium on share capital	24	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
Surplus from internal restructure of entities under common control	2	39,195,609.23	39,195,609.23	-	-
Retained earnings					
Appropriated to legal reserve	24	6,631,111.38	6,167,859.29	6,631,111.38	6,167,859.29
Unappropriated		251,741,350.17	173,383,103.81	99,896,704.66	91,094,914.80
Total Shareholders' Equity		697,568,070.78	618,746,572.33	506,527,816.04	497,262,774.09
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,651,587,264.24	1,591,653,643.89	1,243,356,213.64	1,120,914,601.77

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR EACH OF THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Unit: Baht)	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
REVENUES	3, 5				
Revenue from sales		253,859,940.50	249,215,695.26	297,549,908.04	297,768,815.84
Revenue from rental and transportation services		467,454,414.59	477,706,662.36	111,397,872.77	106,268,670.72
Other income		20,287,846.87	24,302,870.78	21,258,071.66	24,605,886.03
Total Revenues		741,602,201.96	751,225,228.40	430,205,852.47	428,643,372.59
EXPENSES	3, 5				
Cost of sales		89,423,701.31	131,526,291.90	231,649,239.38	232,921,511.18
Cost of rental and transportation services		338,963,904.44	352,236,393.95	72,641,928.63	78,036,542.61
Selling and administrative expenses		142,661,947.03	145,943,347.38	67,991,607.83	56,070,059.36
Total Expenses		571,049,552.78	629,706,033.23	372,282,775.84	367,028,113.15
Profit before interest expenses and income tax		170,552,649.18	121,519,195.17	57,923,076.63	61,615,259.44
Interest expenses					
- from liability under debt restructuring agreement		-	25,826,488.63	-	-
- from other debts		74,136,866.03	50,410,647.27	48,658,034.68	18,279,131.92
Income tax	3	17,594,284.70	45,088,177.64	-	9,462,306.02
Profit after income tax		78,821,498.45	193,881.63	9,265,041.95	33,873,821.50
Net profit in previous shareholders' equity		-	(839,922,077.99)	-	-
Profit (loss) before extraordinary items		78,821,498.45	(839,728,196.36)	9,265,041.95	33,873,821.50
Extraordinary items					
Loss from discount of debt - other related company	5, 14	-	(101,299,280.49)	-	-
Gain on debt restructuring	22	-	962,859,721.39	-	-
NET PROFIT		78,821,498.45	21,832,244.54	9,265,041.95	33,873,821.50
Basic Earnings Per Share	3				
Profit (loss) before extraordinary items		0.23	(3.74)	0.03	0.15
Extraordinary items		-	3.84	-	-
NET PROFIT		0.23	0.10	0.03	0.15
Numbers of Weighted Average Common Shares (shares)	3	350,000,000	224,419,178	350,000,000	224,419,178

The accompanying notes are an integral part of these financial statements.

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Unit: Baht)

		Consolidated financial statements						
	Notes	Issued and paid-up share capital	Premium on share capital	Surplus from internal restructure of entities under common control	Unrealized loss on available-for-sale securities	Retained earnings	Deficit in previous shareholders' equity	Total
				(Restated)		(Restated)	(Restated)	
Balance at the beginning of January 1, 2006		200,000,000.00	-	7,538,895.94	(18,250.00)	157,718,718.56	(708,272,364.70)	(343,033,000.20)
Unrealized gain on available-for-sale securities	3	-	-	-	18,250.00	-	-	18,250.00
Surplus from internal restructuring of entities under common control	10	-	-	31,656,713.29	-	-	-	31,656,713.29
Purchasing of investment in subsidiary	10	-	-	-	-	-	(131,649,713.29)	(131,649,713.29)
Net profit		-	-	-	-	21,832,244.54	839,922,077.99	861,754,322.53
Common shares	25	150,000,000.00	50,000,000.00	-	-	-	-	200,000,000.00
Balance at the end of December 31, 2006		350,000,000.00	50,000,000.00	39,195,609.23	-	179,550,963.10	-	618,746,572.33
Net profit		-	-	-	-	78,821,498.45	-	78,821,498.45
Balance at the end of December 31, 2007		350,000,000.00	50,000,000.00	39,195,609.23	-	258,372,461.55	-	697,568,070.78

The accompanying notes are an integral part of these financial statements.



CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Unit: Baht)

	Notes	Separate financial statements				Total
		Issued and paid-up share capital	Premium on share capital	Unrealized loss on available-for-sale securities	Retained earnings (Restated)	
Balance at the beginning of January 1, 2006		200,000,000.00	-	(18,250.00)	63,388,952.59	263,370,702.59
Unrealized gain on available-for-sale securities	3	-	-	18,250.00	-	18,250.00
Net profit		-	-	-	33,873,821.50	33,873,821.50
Common shares	25	150,000,000.00	50,000,000.00	-	-	200,000,000.00
Balance at the end of December 31, 2006		350,000,000.00	50,000,000.00	-	97,262,774.09	497,262,774.09
Net profit		-	-	-	9,265,041.95	9,265,041.95
Balance at the end of December 31, 2007		350,000,000.00	50,000,000.00	-	106,527,816.04	506,527,816.04

The accompanying notes are an integral part of these financial statements.

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS  
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
		(Restated)		(Restated)
<b>Cash Flows from Operating Activities</b>				
Net profit	78,821,498.45	21,832,244.54	9,265,041.95	33,873,821.50
Adjustments to reconcile net profit to net cash provided by operating activities				
Depreciation and amortization	217,945,187.90	210,922,664.16	58,259,414.58	48,557,552.75
Bad debt and doubtful accounts	16,921,013.84	5,340,533.52	-	2,081,347.32
Bad debt recovery	(2,195,942.66)	(2,175,207.78)	(774,797.81)	(1,210,162.80)
Loss from discount of debt - other related company	-	101,299,280.49	-	-
Gain from discount of debt	-	(4,958,169.50)	-	(4,958,169.50)
Loss from obsolete stock	11,986,789.09	1,958,274.63	11,986,789.09	1,958,274.63
Loss from impairment of assets and loss from written-off assets	1,000,000.00	10,561,612.74	-	-
(Gain) loss on sales of assets	(8,182,319.58)	828,750.48	(489,683.96)	(936,466.59)
Loss on sale of long-term investments	-	20,582.93	-	20,582.93
Reserve for contingencies from legal case	-	7,955,176.08	-	6,028,001.72
Loss from liability under repurchase agreement	-	1,485,027.82	-	-
Unrealized gain on exchange rate	(92,977.65)	(659,461.89)	(92,977.65)	(659,461.89)
Gain on debt restructuring	-	(962,859,721.39)	-	-
Profit in previous shareholders' equity	-	839,922,077.99	-	-
Profit from operating activities before change in operating assets and liabilities	316,203,249.39	231,473,664.82	78,153,786.20	84,755,320.07
<b>Change in operating assets (increase) decrease</b>				
Trade accounts receivable	21,896,833.38	1,851,473.29	21,816,929.64	(45,997,912.24)
Accounts receivable from installment sales	2,485,424.42	6,364,413.96	2,485,424.42	6,364,413.96
Accrued income	14,200,628.93	(16,965,668.75)	2,771,979.58	630,872.35
Inventories	(10,863,597.71)	(38,966,772.57)	(6,809,084.19)	(17,761,745.37)
Accounts receivable from transfer of claims	-	2,126,924.89	-	-
Other current assets	5,225,661.15	(10,709,662.64)	(4,958,981.19)	(1,515,932.75)
Other non-current assets	(17,704,988.71)	(3,091,065.59)	(6,479,535.29)	382,193.97

The accompanying notes are an integral part of these financial statements.

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
		(Restated)		(Restated)
Change in operating liabilities increase (decrease)				
Trade accounts payable	(16,123,342.61)	13,980,748.69	49,249,201.92	27,052,110.45
Payables to related companies	-	-	-	(3,280,913.79)
Advances received for goods	-	(4,107,990.65)	(600,648.60)	(4,107,990.65)
Accrued expenses	2,386.50	(1,434,418.00)	1,165,892.24	(1,226,496.89)
Accrued income tax	(21,297,400.33)	(13,185,660.29)	(4,314,067.73)	(3,739,853.56)
Other current liabilities	(2,236,425.52)	(15,509,146.47)	(1,873,539.74)	2,080,739.77
Liability under debt restructuring agreements	-	2,465,803.66	-	-
Other non-current liabilities	570,620.43	918,464.54	(133,781.36)	(105,011.60)
Net cash provided by operating activities	<u>292,359,049.32</u>	<u>155,211,108.89</u>	<u>130,473,575.90</u>	<u>43,529,793.72</u>
Cash Flows from Investing Activities				
Increase in current investment	(3,242.75)	(2,997.14)	-	-
Decrease in short-term loans to related parties	-	53,037,345.39	19,295,894.86	6,330,739.14
Decrease (increase) in restricted bank deposits	625,305.94	(5,872,070.09)	-	-
Purchase of fixed assets	(61,236,956.61)	(140,915,030.69)	(48,691,547.54)	(66,320,894.56)
Decrease in account payable from purchasing assets	(14,300,000.00)	-	(14,300,000.00)	-
Cash receipt from sales of assets	5,590,654.32	41,359,328.46	634,291.84	3,707,336.45
Increase in investment in subsidiaries	-	-	-	(45,000,000.00)
Repayment of accounts payables from purchasing investment in subsidiaries	-	(21,998,430.00)	-	(21,998,430.00)
Cash receipt from sales of long-term investment	-	2,030,867.07	-	30,917.07
Cash paid from purchasing investment in subsidiary to previous shareholder (see note 10)	-	(99,993,000.00)	-	(99,993,000.00)
Net cash used in investing activities	<u>(69,324,239.10)</u>	<u>(172,353,987.00)</u>	<u>(43,061,360.84)</u>	<u>(223,243,331.90)</u>
Cash Flows from Financing Activities				
Increase in bank overdrafts and short-term loans from financial institutions	11,435,048.75	46,641,649.88	9,987,862.80	47,015,736.87
Increase (decrease) in short-term loans from related parties	2,830,000.00	(19,297,326.02)	27,421,785.89	5,797,739.55
Increase (decrease) in other short-term loans	8,870,284.82	(28,571,058.98)	-	-
Cash receipt from sales and leaseback agreement	6,752,463.44	-	6,752,463.44	-
Repayment of liabilities under financial lease	(191,992,587.03)	(167,148,782.68)	(79,889,346.02)	(67,984,470.85)

The accompanying notes are an integral part of these financial statements.

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
		(Restated)		(Restated)
Repayment of long-term loans from financial institutions	(55,902,085.77)	(7,013,120.83)	(54,683,017.61)	(5,131,766.80)
Repayment of other long-term debts	-	(4,400,000.00)	-	-
Repayment of liabilities under debt restructuring agreements	(1,246,174.01)	(27,939,557.33)	-	-
Repayment of liabilities under repurchase agreement	-	(925,010.37)	-	-
Cash receipt from increase in share capital	-	200,000,000.00	-	200,000,000.00
Net cash provided by (used in) financing activities	(219,253,049.80)	(8,653,206.33)	(90,410,251.50)	179,697,238.77
Net increase (decrease) in cash and cash equivalents	3,781,760.42	(25,796,084.44)	(2,998,036.44)	(16,299.41)
Cash and cash equivalents at beginning of the years	10,877,983.30	36,674,067.74	3,878,226.08	3,894,525.49
Cash and cash equivalents at end of the years	14,659,743.72	10,877,983.30	880,189.64	3,878,226.08
Supplementary disclosure of cash flows information				
Interest expenses	70,301,916.22	77,006,042.92	48,138,629.78	17,972,119.89
Income tax	31,682,238.79	45,448,651.44	5,744,149.07	9,526,214.15

Additional details of non-cash items

Year 2007

- The Company and subsidiaries had purchased the machines and equipment for rent and the vehicles at cost in the amount of Baht 255.65 million (2006: Baht 212.06 million) by cash payment in the amount of Baht 19.95 million (2006: Baht 41.71 million) and by entering into a financial lease agreement for the remainders.
- The Company and subsidiaries had transferred their machines and equipment for rent to inventories at book value in the amount of Baht 36.66 million (2006: Baht 2.68 million) and in the amount of Baht 69.81 million (2006: Baht 20.61 million), respectively.

Year 2006

- The Company acquired land at cost in the amount of Baht 280 million by cash payment in the amount of Baht 10 million and by loan from a financial institution for the remainder.
- Other short-term loans decreased in the amount of Baht 5.57 million because the factoring company received payment from trade accounts receivable which was factored by the factoring company (see notes 19).

CHUKAI PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2007 AND 2006

1. GENERAL INFORMATION

Chukai Public Company Limited had registered under the Civil and Commercial Code on May 26, 1997 and became a public company limited on June 8, 2005. The Company's principal activities are to trade, repair and provide maintenance services, rental services and transportation services for cranes, forklifts, tractors and trucks. The office of the Company and the factory are at 42/62, Moo 14, Bangkaew, Bangplee, Samutprakarn.

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

The Company had ever issued the consolidated and separate financial statements for the year ended December 31, 2006. Subsequently, the Company reissues the year 2006 financial statements, which prepared on the basis of additional accounting principle in relation to the draft regulation for the consolidation under common control (see the basis of consolidated financial statements preparation). Regarding the objective of the Company, these financial statements were presented to the Office of the Securities Exchange Commission (SEC) in order to register as a listed company in the Stock Exchange of Thailand. Moreover, the Company changes its accounting policy and adjusted an error in the accounting record (see Note 4).

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in Thailand.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The Company's financial statements for the year 2006 have been reclassified to conform with the year 2007.

## BASIS OF CONSOLIDATED FINANCIAL STATEMENTS PRESENTATION

The consolidated financial statements for each of the years ended December 31, 2007 and 2006 had been presented based on Thai generally accepted accounting principles, except the consolidation under common control which are based on the draft regulation for consolidation under common control (in consideration of Federation of Accounting Profession) as follows:

- The consolidation under common control is the consolidation of all entities or businesses that merged under the highest control by related parties before and after merging the businesses. This control is non-temporary control.
- The consolidation under common control is not an acquisition of a business since its risk and benefits to the related parties, group of parties, entities or group of entities did not change from the result of the merger. Therefore, the recognition of consolidation under common control was recorded by the “Predecessor value” of the consolidated entities, by which the acquirers have to recognize the assets and liabilities of the consolidated entity at book value of such entity as at the date of consolidation under common control.

The consolidated financial statements for each of the years ended December 31, 2007 and 2006 indicated an economical substance of the group of companies which was consolidated as a whole entity. The relations of the parent company and subsidiaries would not exist until the Company invested in such subsidiaries. These consolidated financial statements of the group of companies are a consolidation or a combination of the financial statements of the group of companies so that they have the same economical substance of the group of companies from the date of under common control.

The surplus from restructuring under the common control is the difference between net book value of such acquired investment and cost of acquired investment from restructuring into the Company under common control. These said investments are merging the entity which the directors and committee are the same directors and committees. The said surplus presented in the Balance sheet under Shareholder’s equity.

The consolidated financial statements consist of the financial statements of Chukai Public Company Limited, and subsidiaries as follows:

Subsidiaries	Business Type	Percentage of holding	
		2007	2006
The Crane Lamechabang Co., Ltd.	Sales and rental service for cranes	100%	100%
The Crane Rayong Co., Ltd.	Sales and rental service for cranes	100%	100%
The Crane Heavy Lift Co., Ltd.	Sales and rental service for cranes	100%	100%
The Crane Service Co., Ltd.	Sales and rental service for cranes	100%	100%

The percentage of assets and revenues of the subsidiaries in relation to the total assets and total revenues as included in the consolidated financial statements for each of the years ended December 31, 2007 and 2006 are as follows:

Subsidiaries	Assets as a percentage of the total assets		Revenues as a percentage of the total	
	included in the consolidated balance sheet		revenues included in the consolidated	
	2007	2006	2007	2006
The Crane Lamechabang Co., Ltd.	9.05	8.67	25.17	18.52
The Crane Rayong Co., Ltd.	18.69	21.51	33.26	28.16
The Crane Heavy Lift Co., Ltd.	6.84	9.14	20.16	18.06
The Crane Service Co., Ltd.	14.75	14.13	20.02	27.60

All significant intercompany transactions and accounts were eliminated in preparing the consolidated financial statements.

Subsidiaries are an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### The Measurement Bases Used in Preparing the Financial Statements

Other than those disclosed in other outlines in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

#### Revenues and Expenses Recognition

Revenue excluding value added taxes and is arrived at after deduction of trade discounts.

Revenue is recognized in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenues from services of rental and transportation are recognized when services are rendered.

Other income and expenses are recognized on an accrual basis.

#### Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, cash at banks and deposits at financial institutions with a maturity date within 3 months net of banks and financial institutions deposits with commitments.

### Current Investments

Current investments are the fixed deposits with maturity not over 1 year.

### Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

Allowance for doubtful accounts is an estimation of those amounts, which may prove to be uncollectible, based on historical collection experience and review of the current status of existing receivables.

### Inventories

Inventories are valued at the lower of the specific identification cost method or net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the costs to make the sale.

### Investments in Subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method less allowance for impairment loss (if any). (see Note 4 to the financial statements)

### Other Long-term Investments

Other long-term investments are available-for-sale securities which are valued at fair value. Gain or loss from changes in fair value of available-for-sale securities is recorded as part of "Shareholders' Equity" in the balance sheets and general investments are stated at cost less any impairment loss.

### Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, and less allowance for impairment loss (if any).

Depreciation is computed by the straight-line method based on the estimated useful life of each asset as follows:

	<u>Years</u>
Buildings	20
Machinery and equipment	5 - 10
Machinery and equipment for rent	5 - 10
Equipment and tools	5
Furniture and office equipment	5
Vehicles	5

The property and equipment for lease had an objective to lease and sell. Therefore, the property and equipment which did not sell were recorded in "Property, plant and equipment" and were depreciated with its useful life as above and will be reclassified to be "Finished Goods" if sold out and will recognized the cost of sales with the net book value on the disposed date.



### Impairment of Assets

The Company will consider the impairment of assets when there are incidents or changes in the environment which indicate that the book value of the assets are higher than the recoverable amount (the higher of net selling price of the particular assets or its value in use). The impairment review, will consider the impairment of an individual asset or a "cash generating unit".

In the case that the book value of the asset is higher than its recoverable amount, the Company will recognize loss from the impairment of the asset in the statement of income. The Company then will reverse the loss from impairment of assets previously recognized when there are indications that impairment will discontinue or will diminish by recording in other income. The revision on loss, however, must not exceed the book value of the assets (net of depreciation and amortization) as if the Company has never before recognized loss from impairment of assets in the previous period.

### Foreign Currency Accounts

Accounts in foreign currencies are converted into Baht at the rate of exchange on the transaction date. Assets and liabilities in foreign currencies as of the end of the year are converted into Baht at the rate of exchange on that date. Gain or loss on conversion is included in the statements of income.

### Income Tax

Income tax has been calculated on net profit for the years after adding back certain expenses which are disallowable for tax computation purposes, using tax rates enacted at the balance sheet date.

### Basic Earnings per Share

A basic earnings per share is computed by dividing net income for the year by the weighted average number of shares outstanding during the year.

### Financial leases

The Company recorded the property, plant and equipment under financial leases as assets and liabilities the same as either fair value of leased assets as started under the leases or the present value of minimum paid under the leases. The Company used the interest rate under the leases for discount for calculation of present value of minimum paid under the lease. Interest paid was recorded after each installment was paid and calculated from outstanding payables.

### Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### 4. CHANGE IN ACCOUNTING POLICY AND CORRECTION OF ERRORS

The consolidated financial statements and separate financial statements for the year ended December 31, 2006 have been reissued for the reasons as follows:

1. The Company adopted the draft regulation for the consolidation under common control in preparing the consolidated financial statements (see Note 2). The effects are shown below:
  - Total assets as at December 31, 2006 decreased in the amount of Baht 11.34 million.
  - The beginning balance of retained earnings for the year 2006 increased in the amount of Baht 43.32 million.
  - Net profit for the year 2006 decreased in the amount of Baht 60.86 million (Baht 0.27 per share)
2. The Company has changed its accounting policy for investments in subsidiaries from the equity method to the cost method in its separate financial statements in order to be in compliance with the Notification of Federation of Accounting Profession. Thus, the Company restated its separate financial statements for the year 2006, which caused a decrease in net profit for the year ended December 31, 2006 in the amount of Baht 48.54 million (Baht 0.22 per share) and the beginning balance of retained earnings for the year 2006 decreased in the amount of Baht 50.48 million.
3. The Company and subsidiaries adjusted an error in the accounting record in the previous years, which caused a increase in the beginning balance of retained earnings for the year 2006 in the amount of Baht 1.66 million in the consolidated financial statements and Baht 1.13 million for the separate financial statements and net profit for the year 2006 decreased in the amount of Baht 3.07 million (Baht 0.014 per share) in the consolidated financial statements and Baht 2.54 million (Baht 0.011 per share) for the separate financial statements.

#### 5. TRANSACTIONS WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with other related parties as included in the financial statements are determined at prices in line with the normal course of business based on the market price or the price as stipulated in the agreement if no market price exists. The significant transactions with related parties were as follows:

For each of the years ended December 31, 2007 and 2006.

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
<u>Subsidiaries</u>				
The Crane Lamechabang Co., Ltd.				
Sales of goods	-	-	15,800,000.00	39,650,000.00
Revenues from rental and transportation services	-	-	21,394,333.24	12,356,583.16
Revenues from repairment	-	-	11,746,820.42	10,083,910.20

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Revenues from rental building	-	-	1,148,400.00	1,148,400.00
Revenues from consulting	-	-	3,600,000.00	2,720,000.00
Other income	-	-	125,360.00	126,400.98
Purchase of goods	-	-	23,490,000.00	5,652,616.82
Services and administrative expenses	-	-	229,632.90	713,814.54
Purchase of investments in subsidiaries	-	-	-	15,000,000.00
Interest income	-	-	21,538.45	34,074.25
<b>The Crane Rayong Co., Ltd.</b>				
Sales of goods	-	-	-	2,990,654.21
Revenues from rental and transportation services	-	-	27,147,532.15	33,213,039.74
Revenues from repairment	-	-	3,118,196.91	1,952,591.71
Revenues from consulting	-	-	4,200,000.00	3,120,000.00
Other income	-	-	45,000.00	384,555.12
Interest income	-	-	-	16,895.34
Purchase of goods	-	-	50,172,762.62	10,675,280.37
Services and administrative expenses	-	-	165,383.60	150,971.63
Purchase of investments in subsidiaries	-	-	-	15,000,000.00
Interest expenses	-	-	102,759.25	-
<b>The Crane Heavy Lift Co., Ltd.</b>				
Sales of goods	-	-	15,800,000.00	8,716,822.43
Revenues from rental and transportation services	-	-	12,373,933.33	5,569,182.55
Revenues from repairment	-	-	3,516,088.27	6,828,817.69
Revenues from consulting	-	-	3,600,000.00	2,720,000.00
Other income	-	-	107,100.00	79,240.00
Purchase of goods	-	-	24,390,000.00	13,517,616.82
Services and administrative expenses	-	-	1,124,612.40	85,522.38
Purchase of investments in subsidiaries	-	-	-	15,000,000.00

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
<b>The Crane Service Co., Ltd.</b>				
Sales of assets	-	-	1,350,000.00	-
Sales of goods	-	-	15,800,000.00	46,249,813.09
Revenues from rental and transportation services	-	-	15,469,200.00	8,498,866.35
Revenues from repairment	-	-	6,308,590.59	13,797,599.27
Revenues from consulting	-	-	3,600,000.00	900,000.00
Revenues from rental building	-	-	600,000.00	20,000.00
Other income	-	-	949,658.70	654,967.28
Purchase of goods	-	-	42,048,971.96	66,036,500.00
Purchase of assets	-	-	157,100.26	1,270,500.00
Services and administrative expenses	-	-	3,244,161.34	3,268,767.52
Other expenses	-	-	1,492,426.32	77,500.00
Interest expenses	-	-	1,268,595.20	174,280.16
<u>Other Related Companies</u>				
<b>Ruka Co., Ltd.</b>				
Revenues from rental and transportation services	1,742,798.39	2,032,286.03	1,621,000.00	634,165.00
Services and administrative expenses	-	3,000,372.17	-	-
<b>Ruka Machine Co., Ltd.</b>				
Purchase of assets	-	3,000,000.00	-	3,000,000.00
<b>Lifting Co., Ltd.</b>				
Revenues from rental and transportation services	-	616,303.75	-	95,000.00
Sales of assets	-	11,100,000.00	-	-
Sales of goods	-	4,569,158.88	-	2,700,000.00
Purchase of goods	-	7,890,000.00	-	7,890,000.00
Purchase of assets	-	23,800,000.00	-	-
<b>Crane Today Co., Ltd.</b>				
Revenues from rental and transportation services	-	266,915.98	-	101,316.00
Services and administrative expenses	-	640,000.00	-	-
<b>Today Transport Co., Ltd.</b>				
Purchase of assets	-	280,000,000.00	-	280,000,000.00
Loss from discount of debt	-	101,299,280.49	-	-
<b>Line Transport Co., Ltd.</b>				
Revenues from rental and transportation services	1,942,944.39	20,970,188.84	-	-
Services and administrative expenses	-	23,000.00	-	-

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
<u>Related Persons (Shareholders and Directorship)</u>				
Sales of non-operating land	10,400,000.00	-	-	-
Interest income	131,235.09	-	-	-
Rental expenses	600,000.00	600,000.00	-	-
Purchase land including construction	-	12,520,000.00	-	12,520,000.00
Purchase investments in subsidiaries	-	99,993,000.00	-	99,993,000.00

Balance with related parties as at December 31, 2007 and 2006.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
<u>Subsidiaries</u>				
<u>The Crane Lamechabang Co., Ltd.</u>				
Trade accounts receivable	-	-	11,277,044.27	16,421,422.64
Short-term loans receivable	-	-	-	2,014,000.00
Hire-purchase receivable	-	-	-	320,386.92
Accrued income	-	-	-	34,074.25
Trade accounts payable	-	-	497,551.37	761,052.27
Deposit	-	-	95,700.00	696,348.60
<u>The Crane Rayong Co., Ltd.</u>				
Trade accounts receivable	-	-	3,073,940.15	13,632,439.54
Short-term loans receivable	-	-	-	17,281,894.86
Accrued interest income	-	-	-	16,895.34
Trade accounts payable	-	-	19,292,156.00	251,494.32
Accrued expenses	-	-	104,222.85	-
Short-term loans payable	-	-	6,398,735.89	-
Accrued interest expenses	-	-	102,759.25	-

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
<b>The Crane Heavy Lift Co., Ltd.</b>				
Trade accounts receivable	-	-	1,057,973.63	5,728,218.57
Trade accounts payable	-	-	16,509,822.77	8,150,604.38
Other payable	-	-	-	288,000.00
<b>The Crane Service Co., Ltd.</b>				
Trade accounts receivable	-	-	19,080,495.57	2,137,274.49
Trade accounts payable	-	-	45,427,744.49	14,649,444.51
Short-term loans payable	-	-	21,600,000.00	6,537,000.00
Accrued interest expenses	-	-	421,800.27	-
<u>Other Related Companies</u>				
<b>Ruka Co., Ltd.</b>				
Trade accounts receivable	-	1,786,898.22	-	633,900.10
Advance payment	-	86,915.88	-	-
Trade accounts payable	-	110,398.22	-	-
<b>Crane Today Co., Ltd.</b>				
Trade accounts receivable - net	-	108,408.12	-	108,408.12
<b>Line Transport Co., Ltd.</b>				
Trade accounts receivable	-	4,115,374.79	-	-
<u>Related Persons (Shareholders and Directorship)</u>				
Accounts receivable from sale of assets	9,000,000.00	-	-	-
Short-term loans payable	10,853,636.42	8,023,636.42	8,003,636.42	2,043,636.42
Accrued interest expenses	3,550,000.00	2,950,000.00	-	-

#### Short-term loans to related companies

Movements of short-term loans to related companies for each of the years ended December 31, 2007 and 2006 were as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Balance at the beginning of the years	-	53,037,345.39	19,295,894.86	36,470,792.13
Increase during the years	-	13,600,907.58	31,653,113.67	39,706,953.83
Decrease during the years	-	(66,638,252.97)	(50,949,008.53)	(56,881,851.10)
Balance at the end of the years	-	-	-	19,295,894.86

Short-term loans to related parties with interest charged at MLR+1 percent per annum for the loans to related companies and without interest charged for the loans to director.

#### Short-term loans from related parties

Movements of short-term loans from related parties for each of the years ended December 31, 2007 and 2006 were as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Balance at the beginning of the years	8,023,636.42	27,320,962.44	8,580,636.42	1,107,055.00
Increase during the years	27,423,400.00	132,057,023.33	76,855,972.34	170,857,023.33
Decrease during the years	(24,593,400.00)	(151,354,349.35)	(49,434,186.45)	(163,383,441.91)
Balance at the end of the years	10,853,636.42	8,023,636.42	36,002,422.31	8,580,636.42

The Company borrowed short-term loan from The Crane Rayong Company Limited (Subsidiary) in the amount of Baht 6.40 million with interest charged at 8.62% per annum and short-term loan from The Crane Service Company Limited (Subsidiary) in the amount of Baht 21.60 million with interest charged at MRR+2% per annum and the remaining of short-term loan from related parties without interest charged.

Nature of relationship

<u>Name</u>	<u>Country</u>	<u>Relation</u>	<u>Type of relation</u>
The Crane Lamechabang Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Rayong Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Heavy Lift Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Service Co., Ltd.	Thailand	Subsidiary	Direct holding
Ruka Co., Ltd.	Thailand	Other related company	Coordinator former management and/or shareholders
Ruka Machine Co., Ltd.	Thailand	Other related company	Coordinator former management and/or shareholders
Lifting Co., Ltd.	Thailand	Other related company	Coordinator former management and/or shareholders
Crane Today Co., Ltd.	Thailand	Other related company	Coordinator former management and/or shareholders
Today Transport Co., Ltd.	Thailand	Other related company	Coordinator former management and/or shareholders
Line Transport Co., Ltd.	Thailand	Other related company	Coordinator former management

Bases of measurement for intercompany revenues and expenses

	<u>Pricing policies</u>
Purchase - sale of land and machinery and equipment for rent or goods	Market price
Rendering of rent and transportation services	Market of price minus discount 20% - 40%
Rendering of repair services	Market price
Interest income and expense	Market price



6. TRADE ACCOUNTS RECEIVABLE - NET

As at December 31, 2007 and 2006, the Company and subsidiaries had outstanding balances of trade accounts receivable aged by number of months as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
<u>Trade accounts receivable - other</u>				
Current	27,410,119.08	47,350,137.25	94,015.55	11,473,542.29
Overdue				
less than 3 months	50,008,476.30	54,506,910.89	4,688,023.80	10,847,193.54
Over 3 months up to 6 months	5,534,658.81	1,501,227.70	712,918.83	325,999.57
Over 6 months up to 12 months	6,095,778.53	851,213.65	-	166,647.15
Over 12 months	9,785,798.75	10,348,186.54	1,339,887.17	1,774,590.72
Total	98,834,831.47	114,557,676.03	6,834,845.35	24,587,973.27
<u>Less: Allowance for doubtful accounts</u>	(23,237,536.96)	(11,433,138.87)	(1,514,887.17)	(2,398,093.10)
Total trade accounts receivable - other	75,597,294.51	103,124,537.16	5,319,958.18	22,189,880.17
<u>Trade accounts receivable - related companies</u>				
Current	-	968,557.06	7,377,547.25	14,995,229.75
Overdue				
less than 3 months	-	4,842,455.95	26,730,502.51	16,525,366.25
Over 3 months up to 6 months	-	211,906.25	381,403.86	2,049,612.01
Over 6 months up to 12 months	108,408.12	7,490.00	108,408.12	5,091,455.45
Over 12 months	-	-	-	-
Total	108,408.12	6,030,409.26	34,597,861.74	38,661,663.46
<u>Less: Allowance for doubtful accounts</u>	(108,408.12)	(19,728.13)	(108,408.12)	-
Total trade accounts receivable - related companies	-	6,010,681.13	34,489,453.62	38,661,663.46
Total trade accounts receivable - net	75,597,294.51	109,135,218.29	39,809,411.80	60,851,543.63

7. RECEIVABLES FROM INSTALLMENT SALES - NET

As at December 31, 2007 and 2006, the Company and subsidiaries had outstanding receivable balances from instalment sales as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Receivable from installment sales	1,440,924.90	3,771,884.40	1,440,924.90	3,771,884.40
<u>Less</u> deferred interest	(222,541.62)	(68,076.70)	(222,541.62)	(68,076.70)
Receivable from installment sales - net	<u>1,218,383.28</u>	<u>3,703,807.70</u>	<u>1,218,383.28</u>	<u>3,703,807.70</u>

8. ACCRUED INCOME - NET

Accrued income as at December 31, 2007 and 2006 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Accrued income	21,292,668.50	37,551,111.43	-	4,576,793.58
<u>Less:</u> Allowance for doubtful accounts	-	(2,057,814.00)	-	(1,804,814.00)
Accrued income - net	<u>21,292,668.50</u>	<u>35,493,297.43</u>	<u>-</u>	<u>2,771,979.58</u>

During the year 2006, the Company and subsidiaries have recorded the allowance for doubtful accounts for overdue accrued income over 2 months.

## 9. INVENTORIES - NET

Inventories as at December 31, 2007 and 2006 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Cranes	82,745,704.41	57,725,930.94	84,517,077.06	57,725,930.94
Forklifts	46,926,423.75	44,778,297.32	46,926,423.75	44,778,297.32
Trailers	2,614,690.11	2,614,690.11	2,614,690.11	2,614,690.11
Trucks	763,740.50	804,800.00	763,740.50	804,800.00
Spare parts and equipment	4,015,779.71	3,164,758.93	4,015,779.71	3,164,758.93
Goods in transit and work in process	4,547,826.16	-	4,547,826.16	-
Total	141,614,164.64	109,088,477.30	143,385,537.29	109,088,477.30
<u>Less</u> Allowance for devaluation of inventories	(19,378,013.22)	(7,391,224.13)	(19,378,013.22)	(7,391,224.13)
Inventories - net	122,236,151.42	101,697,253.17	124,007,524.07	101,697,253.17

## 10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries stated by the cost method, as at December 31, 2007 and 2006 consisted of:

(Unit: Baht)

Subsidiaries	Holding (%)		Authorized share capital		Cost method	
	2007	2006	2007	2006	2007	2006
The Crane Lamechabang Co., Ltd.	100%	100%	25,000,000.00	25,000,000.00	24,999,300.00	24,999,300.00
The Crane Rayong Co., Ltd.	100%	100%	25,000,000.00	25,000,000.00	24,999,200.00	24,999,200.00
The Crane Heavy Lift Co., Ltd.	100%	100%	25,000,000.00	25,000,000.00	24,999,930.00	24,999,930.00
The Crane Service Co., Ltd.	100%	100%	100,000,000.00	100,000,000.00	99,993,000.00	99,993,000.00
Total			175,000,000.00	175,000,000.00	174,991,430.00	174,991,430.00

On November 20, 2006, the Company invested in an increase in common shares of The Crane Rayong Company Limited, The Crane Lamechabang Company Limited and The Crane Heavy Lift Company Limited with each increase in the amount of Baht 15 million, totaling Baht 45 million.

On October 1, 2006, the Company had enter into an agreement to purchase common shares of The Crane Service Company Limited from the existing shareholder (director) totaling 99,993 shares at the price of Baht 1,000 per share, totaling Baht 99.99 million (Book value at the invested date is Baht 133.80 million). As a result, the Company's investment proportion in The Crane Service Company Limited was counted as it were 100 percent of shares registered.

The details of net assets of new subsidiary at the acquisition date were summarized as follows:

	(Unit: Thousands Baht)
Cash and deposits at financial institutions	4,654
Trade accounts receivable and other receivables - net	137,390
Accrued income	1,878
Short-term loans to related parties - net	297,414
Property, plant and equipment - net	114,375
Other assets - net	4,659
Trade accounts payable and other payables	(28,213)
Interest-bearing borrowings	(383,000)
Other liabilities	(15,355)
Net assets of subsidiary	133,801
<u>Less</u> Gain on disposal of assets which existed before investing in subsidiary	(2,151)
Net assets of subsidiary	131,650
<u>Less</u> Surplus from internal restructure of entities under common control	(31,657)
Total purchase price of subsidiary	99,993

#### 11. RECEIVABLE UNDER REPURCHASE AGREEMENT - NET

Receivable under repurchase agreement as at December 31, 2007 and 2006 consisted of:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Receivable under repurchase agreement	45,820,560.75	45,820,560.75	-	-
<u>Less:</u> Allowance for doubtful accounts	(45,820,560.75)	(45,820,560.75)	-	-
Receivable under repurchase agreement - net	-	-	-	-

Receivable under repurchase agreement was occurred from subsidiary putting up collateral against a financial lease agreement for its accounts receivable as the debt payment was defaulted upon to the financial institution (see Note 23).

#### 12. RESTRICTED BANK DEPOSITS

As at December 31, 2007 and 2006, deposits at the bank of the subsidiaries were used as collateral for letters of guarantee issued by banks (see note 28).

13. OTHER CURRENT ASSETS - NET

Other current assets as at December 31, 2007 and 2006 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Other receivables - net	1,222,181.34	6,110,743.32	999,601.28	991,046.05
Prepaid expenses	6,384,718.58	5,245,022.35	2,863,037.80	1,154,500.59
Deposits	661,226.50	5,543,540.65	-	982,731.65
Other assets - net	25,136,578.19	11,005,615.44	17,666,817.65	2,616,753.25
Other current assets - net	<u>33,404,704.61</u>	<u>27,904,921.76</u>	<u>21,529,456.73</u>	<u>5,745,031.54</u>

During the year 2006, the subsidiary had written-off receivables from advance payment for land improvement in the amount of Baht 11.3 million, and recorded as expenses in the statement of income (see note 14).

14. LONG-TERM LOANS TO OTHER RELATED COMPANY - NET

A subsidiary had long-term loan to related party and accrued interest in the amount of Baht 694.41 million, were for purchasing land with interest charged at the rate referred with a financial institution.

During the year 2005, a subsidiary has set up an allowance for doubtful accounts for such loans in the amount of Baht 301.38 million (net from interest recorded as incomes in the amount of Baht 23.03 million).

During the year 2006, a subsidiary agreed that the receivable be reduce to Baht 280 million. The remaining of debt in the amount of Baht 90 million and advanced receivable for land improvement were forgiven (see Note 13). The receivable has completely abided by the conditions, so the subsidiary recognized loss from discount of debt - other related company in the amount of Baht 101 million in the statement of income in the year 2006.

15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2007 consisted of:

(Unit: Baht)

	Consolidated financial statements										
	Cost			Accumulation depreciation				Impairment of assets	Book Value		
	Beginning			Ending	Beginning				Ending	Beginning	Ending
	Balance	Purchases	Disposals	Balance	Balance	Depreciation	Disposals	Balance	Balance	Balance	
Land	478,361,102.45	-	-	478,361,102.45	-	-	-	-	-	478,361,102.45	478,361,102.45
Land improvements	7,001,939.29	-	-	7,001,939.29	3,402,763.76	1,315,346.57	-	4,718,110.33	-	3,599,175.53	2,283,828.96
Buildings	125,545,196.28	1,738,317.76	-	127,283,514.04	47,018,379.25	6,298,431.37	-	53,316,810.62	-	78,526,817.03	73,966,703.42
Machinery and equipment	14,039,821.32	2,900,311.30	509,600.00	16,430,532.62	10,327,896.89	1,698,828.23	102,254.28	11,924,470.84	-	3,711,924.43	4,506,061.78
Furniture and office equipment	29,339,978.25	1,454,695.56	645,966.72	30,148,707.09	22,128,995.70	2,616,647.56	314,402.18	24,431,241.08	-	7,210,982.55	5,717,466.01
Vehicles	37,395,841.24	4,476,895.74	7,074,627.05	34,798,109.93	18,464,231.60	6,753,393.90	4,861,030.65	20,356,594.85	-	18,931,609.64	14,441,515.08
Machinery and equipment for rent	1,085,379,446.97	103,170,640.44	150,489,787.72	1,038,060,299.69	397,430,439.64	157,461,327.96	80,530,386.47	474,361,381.13	1,000,000.00	687,949,007.33	562,698,918.56
Land and buildings for rent	3,563,066.00	-	-	3,563,066.00	1,281,643.63	99,999.96	-	1,381,643.59	-	2,281,422.37	2,181,422.41
Construction in progress and assets in transit	4,393,764.30	203,370,005.86	5,770,752.76	201,993,017.40	-	-	-	-	-	4,393,764.30	201,993,017.40
Total	1,785,020,156.10	317,110,866.66	164,490,734.25	1,937,640,288.51	500,054,350.47	176,243,975.55	85,808,073.58	590,490,252.44	1,000,000.00	1,284,965,805.63	1,346,150,036.07
Non-operating land	6,046,960.00	-	3,980,000.00	2,066,960.00	-	-	-	-	-	6,046,960.00	2,066,960.00
Total	1,791,067,116.10	317,110,866.66	168,470,734.25	1,939,707,248.51	500,054,350.47	176,243,975.55	85,808,073.58	590,490,252.44	1,000,000.00	1,291,012,765.63	1,348,216,996.07

Depreciation of the Company and its subsidiaries for the year 2006, in the amount of Baht 159.12 million (year 2006: Baht 156.66 million) were included in cost of services and transportation, and Baht 17.12 million (year 2006: Baht 16.26 million) were included in selling and administrative expenses.

As at December 31, 2007, the Company and its subsidiaries had fixed assets still in use which have been fully depreciated with acquisition costs of Baht 152.18 million (year 2006: Baht 105.31 million).

The Company and its subsidiaries had part of land with construction and machinery was pledge as collateral for bank overdrafts and loans from financial institutions (see Note 17).

In the year 2007, the Company and its subsidiaries had reclassified machinery and equipment for leased account to inventory account in amount of Baht 69.81 million (the year 2006: Baht 61.86 million) and recognized as costs of sales when disposed during the year.

The land and building for lease – The Crane Lamechabang Company Limited (“subsidiary”) allowed a person to lease such building. The rate of lease is Baht 7,000 per month.

The Crane Rayong Company Limited (“subsidiary”) allowed another company to lease land including construction of subsidiary. The details were shown as follows;

- 6 months lease period ending at May 31, 2007, that the rate of lease is Baht 0.03 million per month and 4 months lease period ending at September 30, 2007, that the rate of lease is Baht 0.05 million per month.
- 12 months lease period ending at November 30, 2007, that the rate of lease is Baht 0.40 million per month. On December 1, 2007, the Company entered into a new lease agreement the lease period is 12 months ending at November 30, 2008, that the rate of lease is Baht 0.42 million per month.
- 12 months lease period ending at April 30, 2006, that the rate of lease is Baht 0.30 million per month. On April 1, 2006, the Company entered into memorandum attachment of lease agreement in order to extend lease term from due date April 30, 2006 to September 30, 2006. On October 1, 2006, the Company entered into memorandum attachment of lease agreement in order to extend lease term and decrease rental area from due date September 30, 2006 to November 30, 2006, that the rate of lease is Baht 0.03 million per month.

On December 18, 2005, a subsidiary entered into the additional agreement for leased land including construction on May 1, 2005 and agreed the lessee to build an office building. If the lessee used such building not over 1, 2, or 3 years, the subsidiary would agree to purchase this building in the amount of Baht 2, 1.5 and 0.5 million, respectively. If the lessee used such building over 3 years, the lessee would assign such building to the subsidiary without any charge. On February 1, 2007, the subsidiary had acquired the building in the amount of Baht 1.8 million.

The Crane Service Company Limited allowed The Crane Lamechabang Company Limited to lease part of the land including construction for the period of 12 months ended at December 31, 2007 in the amount of Baht 0.01 million per month. On January 3, 2008, the Company extended lease period to 12 months ending at December 31, 2008, that the rate of lease is Baht 0.01 million per month.

(Unit: Baht)

## Separate financial statements

	Cost				Accumulation depreciation					Book Value		
	Beginning		Ending		Beginning		Ending			Beginning	Ending	
	Balance	Purchases	Disposals	Transfers	Balance	Balance	Depreciation	Disposals	Transfers	Balance	Balance	Balance
Land	457,187,219.37	-	-	-	457,187,219.37	-	-	-	-	-	457,187,219.37	457,187,219.37
Land improvements	6,345,543.21	-	-	-	6,345,543.21	2,821,253.87	1,269,108.24	-	-	4,090,362.11	3,524,289.34	2,255,181.10
Buildings	51,405,727.28	-	-	-	51,405,727.28	7,962,708.03	2,570,285.91	-	-	10,532,993.94	43,443,019.25	40,872,733.34
Machinery and equipment	4,074,798.25	166,089.60	39,000.00	-	4,201,887.85	2,174,602.81	757,591.61	30,855.72	-	2,901,338.70	1,900,195.44	1,300,549.15
Furniture and office equipment	8,571,249.73	1,101,361.07	182,139.18	-	9,490,471.62	5,325,669.28	1,134,187.54	135,635.66	-	6,324,221.16	3,245,580.45	3,166,250.46
Vehicles	8,178,028.04	1,533,999.94	1,829,999.94	-	7,882,028.04	3,104,509.35	1,681,776.62	914,595.86	-	3,871,690.11	5,073,518.69	4,010,337.93
Machinery and equipment for rent	284,664,736.97	9,173,504.17	57,581,153.13	-	236,257,088.01	52,181,999.77	29,677,919.64	20,919,673.16	-	60,940,246.25	232,482,737.20	175,316,841.76
Construction in progress and assets in transit	637,147.89	189,639,256.56	430,962.31	-	189,845,442.14	-	-	-	-	-	637,147.89	189,845,442.14
<b>Total</b>	<b>821,064,450.74</b>	<b>201,614,211.34</b>	<b>60,063,254.56</b>	<b>-</b>	<b>962,615,407.52</b>	<b>73,570,743.11</b>	<b>37,090,869.56</b>	<b>22,000,760.40</b>	<b>-</b>	<b>88,660,852.27</b>	<b>747,493,707.63</b>	<b>873,954,555.25</b>



Depreciation of the Company for the year 2007, in the amount of Baht 30.69 million (year 2006: Baht 27.93 million) were included in cost of services and transportation, and Baht 6.40 million (year 2006: Baht 7.04 million) were included in selling and administrative expenses.

As at December 31, 2007, the Company had assets still in use which have been fully depreciated with the original cost of Baht 20.86 million (year 2006: Baht 19.56 million).

During the year 2006, the Company had purchased land from Today Transport Company Limited in the amount of Baht 280 million (see Notes 5 and 22).

Part of land with construction and machinery of the Company was pledge as collateral for bank overdrafts and loans from financial institutions (see Note 17).

During the year 2007, the Company had transferred machinery and equipment for lease account to inventories account in the amount of Baht 36.66 million (year 2006: Baht 2.68 million) and recognized as cost of sales when disposed the assets between in the year.

As at December 31, 2007, the book value of machinery and equipment for lease and vehicle of the group of Baht 420.17 million (year 2006: Baht 526.80 million) and of Baht 178.74 million (year 2006: Baht 234.10 million) in the Company presented as assets under financial lease agreements (see Note 22)

#### 16. NON-OPERATING LAND

In the year 2006, the subsidiary has found non-operating land, which the subsidiary's director received from a personal debt in the year 2003 and 2004. The land's title deed is belong to the subsidiary's name but did not record in its account. The Board of Directors Meeting of subsidiary held on December 15, 2006, approved to record the land of subsidiary and short-term loan from related party in the amount of Baht 3.98 million according to Intent to purchase and sales contract and approved the subsidiary's director to purchase the land back from the subsidiary at the highest of the appraisal value by an independent appraiser or cost.

During the year 2007, the subsidiary sold such non-operating land at cost of Baht 3.98 million to related party (the director's child of the Company) and the Company's director in the amount of Baht 1.40 million and Baht 9 million respectively, that were appraisal value from an independent appraiser. The subsidiary recognized gain from sale of such land in the amount of Baht 6.42 million in the statement of income.

#### 17. ASSETS USED AS COLLATERAL

The Company and subsidiaries have pledged part of land, including construction and machinery as well as the benefits from insurance of construction and machinery, and pledged part of the director's common shares in the Company against bank overdrafts and loans from financial institutions with the fully guarantee of the directors.

In the year 2007, the Company's director mortgaged personal land including construction of Baht 41.60 million used as collateral for contingent liabilities from the Company's financial lease agreement.

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, 2007 and 2006, consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Bank overdrafts	20,252,101.62	19,587,262.32	17,934,090.69	18,716,437.34
Promissory Notes	56,100,000.00	56,100,000.00	56,100,000.00	56,100,000.00
Trust receipts	28,297,174.01	17,619,942.21	28,297,174.01	17,619,942.21
Total	104,649,275.63	93,307,204.53	102,331,264.70	92,436,379.55

The Company and subsidiaries have credit lines for bank overdrafts in the amount of Baht 34 million for the consolidated financial statements and Baht 30 million for the separate financial statements bearing interest at the rate of MRR+2 per annum, Prime rate and MOR+1 per annum and have other credit facilities in the amount of Baht 406.68 million for the consolidated financial statements and Baht 363 million for the separate financial statements, with interest charged at the rate stipulated in the contracts. The Company and subsidiaries land including construction and part machinery were used as collateral for loans from the bank. The loans are also guaranteed by the Company and its subsidiary's directors (see Note 17).

19. OTHER SHORT-TERM LOANS

As at December 31, 2007, a subsidiary borrowed loan from other company (the Company's customer) for its operation with interest charged at 12% per annum. The other company was able to deduct loan against the last period of the subsidiary's cash receipt from providing services.

As at December 31, 2006, a subsidiary had short-term loan in the amount of Baht 0.08 million from selling on discount its trade accounts receivable to a factoring company with interest charged at the rate of 13.50% per annum. Such trade accounts receivable were used as collateral for the loans. As present, the subsidiary received the repayment from trade accounts receivable in whole amount.

In year 1998, trade accounts payable of The Crane Service Company Limited ("subsidiary") had sold on discounted posted date cheque to a financial institution in the amount of Baht 79.47 million. Then, in the year 1999, the subsidiary was brought to court as it was unable to pay cheque. The subsidiary settled with the other party to pay in the amount of Baht 84.62 million (Principal repayment with interest until the contract date) including the interest rate 7.5 percent per annum of the principle. The payment of debt is charged at the rate stipulated in the contracts. However, the subsidiary did not pay the principle and interest according to the contracts. In year 2006, the subsidiary negotiated with a company, who agreed that the subsidiary will pay debt in the amount of Baht 20 million and forgive the remaining debt. The subsidiary had completely paid according to the new condition and recognized gain from discount of debt in the amount of baht 109.54 million in the statements of income in the year 2006.

20. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2007 and 2006 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Estimated liabilities	7,282,784.47	7,955,176.08	6,028,001.72	6,028,001.72
Other payables	947,649.85	625,222.94	-	288,000.00
Deposits received	102,090.00	1,188,478.12	-	-
Other	11,237,499.72	12,037,572.42	1,691,392.47	3,276,932.21
Total other current liabilities	19,570,024.04	21,806,449.56	7,719,394.19	9,592,933.93

21. ACCOUNTS PAYABLE FROM RELATED COMPANY

On October 26, 2004, The Crane Service Company Limited has entered into debt restructuring with trade accounts receivable; The Crane Lamechabang Company Limited, The Crane Rayong Company Limited and The Crane Heavy Lift Company Limited, which have total debt at the agreement date in the amount of Baht 149.85 million. The condition of the agreement is such that trade accounts receivable have to be repaid within 5 years and without principle repayment for the first 2 years started from the agreement date. The remaining of debt would be repaid monthly, totaling 36 periods without interest charge.

On June 30, 2006, The Crane Service Company Limited has entered into additional memorandum for the debt restructuring agreement with such trade accounts receivable for the amount of Baht 123.83 million at the date of additional memorandum. The condition of additional memorandum is to repay the debt in the amount of Baht 52.85 million and the remaining debt in the amount of Baht 70.98 million, was forgiven by The Crane Service Company Limited. The subsidiaries group recorded the difference from restructuring by reducing retained earnings assuming that the forgiven of the debt has happen in the past. This practice followed the draft regulation for the consolidation under common control (see Notes 2 and 4).

The Details are summarized as follows:

(Unit: Millions Baht)

Subsidiaries	Book value as at agreement date	Amount of repayment	Difference from restructuring
The Crane Rayong Co., Ltd.	56.61	22.85	33.76
The Crane Lamechabang Co., Ltd.	40.06	15.55	24.51
The Crane Heavy Lift Co., Ltd.	27.16	14.45	12.71
Total	123.83	52.85	70.98

## 22. LONG-TERM DEBT

Long-term debt as at December 31, 2007 and 2006 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
Loans from banks	226,530,631.90	282,432,717.67	211,598,559.28	266,281,576.89
Liabilities under financial lease	444,223,382.15	385,894,869.86	268,653,121.16	177,303,261.40
Liabilities under restructuring agreements	3,821,714.10	5,067,888.11	-	-
Total	674,575,728.15	673,395,475.64	480,251,680.44	443,584,838.29
<u>Less: Current portion of long-term</u>				
liabilities	(230,233,176.40)	(191,579,828.01)	(147,212,642.27)	(113,947,841.74)
Long-term debt - net	444,342,551.75	481,815,647.63	333,039,038.17	329,636,996.55

### Loans from banks

The Details of the loans are summarized as follows:

<u>Lender</u>	<u>Principal (Thousands Baht)</u>		<u>Period</u>	<u>Interest Rate</u>	<u>Repayment</u>
	2007	2006			
<u>Company</u>					
Bank	211,500	265,500	Dec. 2006 – Dec. 2011	MLR+1	Monthly principal repayment with interest (principal Baht 4.50 million per month)
Bank	99	782	Apr. 2003 – Jan. 2008	MRR	Monthly principal repayment with interest (Baht 0.60 million per month)
<u>Subsidiaries</u>					
Bank	14,932	16,151	Jan. 2006 – Dec. 2013	MLR + 1.5	Monthly principal repayment with interest totalling 84 instalments

On October 19, 2006 the Company had loans from a financial institution in the amount of Baht 270 million in order to purchase land from related company and mortgaged this land as collateral for loans.

As at December 31, 2007 the Company and subsidiaries had loans from banks, the current portion of long-term loans in the amount of Baht 57.83 million (year 2006: Baht 56.84 million) for the consolidated financial statements and Baht 54.10 million (year 2006: Baht 54.68 million) for the separate financial statements was presented under current liabilities.

The Company and subsidiaries had pledged land, including construction and machinery as well as the benefits from insurance of construction and machinery, against loans from financial institutions with the full personal guarantee of the directors of the Company and Subsidiaries (see Note 17).

On February 12, 2008, The Crane Rayong Company Limited (“subsidiary”) entered into debt restructuring agreement in order to alleviate the condition of repayment debts. According to agreement, the subsidiary repaid such debts by monthly each installment not less than Baht 0.25 million with interest charged at the rate of MLR+1.50% per annum starting the first installment from February 2008 and complete before or within January 2015 (see Note 32).

#### Liability under Financial Lease

The Company and subsidiaries had entered into the financial lease agreements for machinery and equipment for rent and for vehicles, payable monthly in the amount of Baht 10.10 million and Baht 18.40 million, respectively. As at December 31, 2007, the current portion of liability under the financial lease agreement in the amount of Baht 170.94 million (year 2006: Baht 133.55 million) for the consolidated financial statements and Baht 93.11 million (year 2006: Baht 59.27 million) for the separate financial statements was presented under current liabilities.

Moreover, the Company and subsidiaries has committed to pay each year under the financial lease agreement as follows:

(Unit: Millions Baht)		
	Consolidated	Separate
Year	financial statements	financial statements
1	212.19	122.26
2 - 5	231.67	146.39
	443.86	268.65
	443.86	268.65

On March 1, 2007, the Company entered into a sale and leaseback agreement for machineries (Crane) with a company amounting to approximately Baht 9.81 million.

On October 24, 2007, the Company entered into the financial lease agreements with a leasing company amounting to approximately Baht 192.01 million. The Company’s director mortgaged personal land including construction of Baht 41.60 million used as collateral for contingent liabilities from the Company’s financial lease agreement (see Note 17)

#### Liability under Restructuring Agreements

The Crane Service Company Limited (“subsidiary”) had long-term loans from three financial institutions and had defaulted on the debt. On October 30, 2000, the subsidiary entered into debt restructuring agreements with all financial institutions stating that the subsidiary had to pay principal with interest charge as stipulated in the debt restructuring agreements. The details of the repayment of debt are as follows:

- The first financial institution

On October 31, 2002, the subsidiary entered into debt restructuring agreement with a financial institution for the principal of Baht 1.86 million and accrued interest in the amount of Baht 0.06 million with the condition that the subsidiary had to pay accrued interest by November 15, 2002 and pay principal including interest within October 31, 2009 as indicated in the agreements. The subsidiary has mortgaged land including construction as collateral for loans from the financial institution with the full personal guarantee by the subsidiary’s directors.

- The second financial institution

According to the debt restructuring agreements dated October 30, 2000 the subsidiary entered into debt restructuring agreement with a financial institution for the principal of Baht 5.29 million and accrued interest in the amount of Baht 0.47 million with the condition that the subsidiary had to pay principal including interest on monthly basis within 10 years ended September 30, 2010 as indicated in the agreements. The subsidiary has mortgaged land including construction used as collateral with the full personal guarantee by the subsidiary's directors.

On February 18, 2008, the subsidiary repaid the remaining of debt restructuring agreement with the second financial institution in whole amount (see Note 32).

- The third financial institution

On December 29, 2004 the subsidiary entered into a debt restructuring agreement with a financial institution for the principal of Baht 558.82 million and accrued interest in the amount of Baht 628.45 million with the condition that the subsidiary had to pay principal in the amount of Baht 360 million within March 28, 2005. In case, the subsidiary performed according to the agreement, the financial institution will acquit the principal and all the remaining of accrued interest, including redeem collateral to the subsidiary. The subsidiary has mortgaged land including construction of related company as collateral for loans from the financial institution with the guaranteed by the Company's directors and related company and with the full personal guarantee by the subsidiary's directors.

On March 29, 2005 the subsidiary had paid the principal of Baht 10 million and asked to extend repayment debt according to the debt restructuring agreements. The additional conditions were to pay interest charge from principal amounting to Baht 350 million at the end of every month and pay the principal within September 23, 2005 bearing interest at the rate of MLR per annum. Subsequently, on June 1, 2006 the subsidiary extended repayment of debt to September 20, 2006.

From the above details, the subsidiary recorded the difference between debt restructuring agreements and carrying debt as at December 31, 2005 in the amount of Baht 823.32 million was recorded in the account "Deferred gain on debt restructuring" and the subsidiary will recognize as revenue if the subsidiary can perform according to the agreement.

On November 21, 2006 the subsidiary amended the debt restructuring agreement on December 29, 2004 (the third edition) such that the subsidiary had to repay debt in the amount of Baht 310 million within December 29, 2006. The payable agreed to forgive the remaining debt and charged interest from principal amounting to Baht 340 million at the rate of MLR per annum from September 20, 2006. On November 29, 2006 the debt was fully paid. Therefore, the subsidiary recognized gain on debt restructuring in the amount of Baht 853.32 million in the statements of income in the year 2006.

As at December 31, 2007, the current portion of liability under the debt restructuring agreements in the amount of Baht 1.46 million (year 2006: Baht 1.19 million) was presented under current liabilities.

23. LIABILITY FROM REPURCHASE AGREEMENT

On December 16, 1996, The Crane Service Company Limited (subsidiary) has sold assets to a customer by financial lease through a Leasing Company; on condition that subsidiary has joint responsibility to repurchase assets if the customer does not perform according to the agreement.

On October 8, 2001, the subsidiary has entered into a debt confirmation letter with a Leasing Company because the subsidiary's customer did not perform according to the agreements in the amount of Baht 73.62 million. A debt confirmation letter indicated that the Subsidiary had to pay principal and interest which the first repayment started on October 2001. The liabilities are also fully guaranteed by the subsidiary's directors.

From the above details, the subsidiary recorded the lessee to accounts receivable from repurchase agreement that were presented under current assets in the amount of Baht 45.82 million (see Note 11) according to the amount to be repaid by subsidiary. The subsidiary has reclaimed the debt in the amount of Baht 68.20 million.

In the year 2001, the leasing company was in litigation with the lessee and in the year 2003, the court of first instance held the lessee, the subsidiary and director to join responsibility for payment to the leasing company in the amount of Baht 5.96 million with interest charged at 7.5 percent per annum since the litigation date until fully paid.

During the year 2007, the Appeal Court judged lessee company and subsidiary including director together to under take repayment to leasing company in the amount of Baht 5.40 million including interest at the rate of 10% per annum from June 21, 2006 until the date of sue and at the rate of 7.5% per annum starting from the date of sue until complete repayment.

Since 2001 until September 24, 2005, the subsidiary entered into additional debt confirmation letter, including an extraordinary memorandum which summarized as follows:

1. The subsidiary has to pay principal by installment started from September 2005 to August 2010 as the indicated amount of the payment schedule enclosed with the contract and interest charged at 10 percent per annum.
2. The Leasing Company will operate under civil court holding for lessee to pay debt not lower Baht 50 million with interest charged.
3. In case the Leasing Company receives the payment from lessee, it will deduct the other expenses and liabilities and will return the remaining to the subsidiary. If the repayment is not sufficient, the subsidiary has to responsible for the remaining debt.
4. The Leasing Company agreed that the subsidiary has to pay 50 percent of the remaining debt by installments followed by item 1.

On October 24, 2006, the subsidiary entered into additional amendment of debt confirmation letter that the conditions of repayment were amended from additional amendment of debt confirmation letter dated September 24, 2005 as follows:

1. The subsidiary had outstanding debt before preparing the memorandum in the amount of Baht 2.20 million, so the installment of debt was taken into the new principal of debt as indicated this memorandum.
2. The subsidiary has to pay principal by installment started from October 2006 to October 2011 as the indicated amount of the payment schedule enclosed with the contract with interest charged at 10 percent per annum.

The Subsidiary had paid post dated cheque as collateral in the amount of Baht 60.03 million.

At present, the subsidiary has not repay principal and interest as agreement. The subsidiary alleged litigation with creditor relating to overstated debt on April 18, 2007. However, the subsidiary has still recorded accrued interest expense at the rate determined in agreement. The subsidiary does not use at the default interest rate because legal consultant expresses opinion that the subsidiary has opportunity to win the case. Therefore, the subsidiary reclassified such liability to current liability.

#### 24. SHARE PREMIUM AND LEGAL RESERVE

##### SHARE PREMIUM

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

##### LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

#### 25. SHARE CAPITAL

The Ordinary Shareholders’ Meeting held on March 15, 2007, passed a resolution to increase the Company’s authorized share capital from Baht 350 million to Baht 450 million by issuing new common shares of 100 million shares at par value of Baht 1 per share. For the increased in share capital, the meeting assign the authorizing to the Company’s Board of Directors in considering and determining all of the details concerning offering price, offering method, offering period, and the allotment method of the remaining shares left after subscription, offering to the public.

The Extraordinary General Meeting of shareholders held on June 10, 2006 approved to decrease the Company’s authorized share capital from Baht 300 million to Baht 200 million and approved to increase the Company’s authorized share capital from Baht 200 million to Baht 350 million by issuing new 150 million common shares at par value of Baht 1 per share.

The Company has appropriated the said share capital as follows:

- 100 million shares by offering to the Company’s directors at price of Baht 1 per share.
- 50 million shares by offering to specifically persons at price of Baht 2 per share.

The Company registered the said decreased and increased in share capital with the Ministry of Commerce on June 22, 2006.

During October 2006, the Company registered the change in its authorized share capital from Baht 200 million to Baht 250 million (dividing into 250 million shares, at Baht 1 par value) by issuing 50 million new common shares at the price of Baht 2 per share.

During November 2006, the Company registered the change in authorized shares capital from Baht 250 million to Baht 350 million (dividing into 350 million shares, at Baht 1 par value) by issuing 100 million new common shares at the price of Baht 1 per share.



26. PROVIDENT FUND

The Company and its employees jointly registered a provident fund. The fund is contributed to by both the employees and the Company. The fund is managed by BT Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the fund. During the year 2007, Baht 683,198.27 has been contributed to the fund by the Company.

27. EMPLOYEE EXPENSES

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2007	2006	2007	2006
Number of employees at the end of the year (Persons)	449	514	138	159
Employee costs for the year (Millions Baht)	125.49	127.10	51.34	44.22

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2007, the Company and its subsidiaries had commitments and contingent liabilities as follows:

The Company

Commitments

- Commitment for the letter of guarantee issued by the Bank in the amount of Baht 0.18 million.
- Commitment for payment under the security service agreement in the amount of Baht 0.12 million per month.
- Commitment for payment under the land lease agreement in the amount of Baht 0.06 million per month.
- Commitment from financial advisory fee in the amount of Baht 0.25 million.

Contingent liabilities

- Contingent liabilities on co-guarantee for liabilities under financial lease with subsidiaries in the amount of Baht 199.65 million.
- Contingent liabilities from lease back agreement together with subsidiaries in the amount of Baht 23.26 million.

Subsidiaries

Commitments

- Commitment for the letter of guarantee issued by the Bank in the amount of Baht 6.04 million (see Note 12).
- Commitment for payment under the land lease agreement to the director of the Company in the amount of Baht 0.05 million per month.
- Commitment for payment under the building lease agreement with a related company in the amount of Baht 0.15 million per month.
- Commitment for payment under the management agreement with a related company (the Parent company) in the amount of Baht 1.25 million per month.
- Commitment for payment under the security and cleaning service agreement with a company in the amount of Baht 0.06 million per month.
- Commitment for the purchase of crane agreement in the amount of YEN 354.6 million.

### Contingent liabilities

- Contingent liability on co-guarantee for liabilities under financial lease with the Company in the amount of Baht 356.61 million.
- The Crane Service Company Limited has a litigation case from being sued involving the services of Baht 0.5 million. If the subsidiary has any damage, the subsidiary's directors will take a responsibility (see Note 31).
- The Crane Service Company Limited has a litigation case from being sued compensation of breach debt confirmation agreement in the amount of Baht 66.54 million and a litigation case from being sued compensation of fault from cheque of Baht 60.99 million (see Note 31).

## 29. BUSINESS SEGMENT INFORMATION

The Company and subsidiaries operate the business primarily related to sales and services of cranes, forklifts, trailers and trucks. Based on the types of activities, the operating income for each of the years ended December 31, 2007 and 2006 were classified as follows:

For the year ended December 31, 2007

	(Unit: Thousands Baht)			
	Sales	Service	Other income	Total
Revenue	253,860	467,454	20,288	741,602
Profit from operations	164,436	128,490	20,288	313,214
Selling and administrative expenses				(142,662)
Interest expenses				(74,137)
Income tax				(17,594)
Net profit				<u>78,821</u>
Fixed assets as at December 31, 2007				<u>1,346,150</u>
Total assets as at December 31, 2007				<u>1,651,587</u>

For the year ended December 31, 2006

(Unit: Thousands Baht)

	Sales	Service	Other income	Total
Revenue	249,216	477,707	24,303	751,226
Profit from operations	117,689	125,470	24,303	267,462
Selling and administrative expenses				(145,944)
Interest expenses				(76,237)
Income tax				(45,088)
Loss from discount of debt - other related company				(101,299)
Gain on debt restructuring				962,860
Net profit in previous shareholders' equity				(839,922)
Net profit				<u>21,832</u>
Fixed assets as at December 31, 2006				<u>1,284,966</u>
Total assets as at December 31, 2006				<u><u>1,591,654</u></u>

### 30. FINANCIAL INSTRUMENTS

#### Accounting Policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in Note 3.

#### Financial risk management policies

The Company is exposed to the fluctuations in interest rate and foreign exchange rates in the market and the risks from default of the agreements by counterparties. The Company had risk management policies as follows:

#### Interest Rate Risk

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Company's operations and cash flows. The Company has interest rate risk from cash and deposits at banks, bank overdrafts and from loans because the interest rate of the financial assets and financial liabilities fluctuate based on the market rate. In addition, the Company has not engaged in any hedging contracts related to interest rates.

#### Foreign Currency Risk

The Company's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2007 and 2006, the Company had assets and liabilities in foreign currencies, without hedging, as follows:

<u>Currencies</u>	(Unit: Millions)			
	2007		2006	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
YEN	-	95.70	-	77.77
US Dollars	-	-	0.10	-
Brunei Dollars ("subsidiary")	-	-	-	0.08

#### Credit Risk – Trade Accounts Receivable

The Company has a policy to hedge credit risk from trade accounts receivable by forming a conservative credit policy and by determining the receipt from the sales of goods and service. Therefore, the Company expects that the loss from the collection of those trade accounts receivable should not exceed the provision for doubtful accounts.

#### Fair Value

Most of the financial assets are trade accounts receivable which are short-term credit and financial liabilities. Most of the financial liabilities are trade accounts payable and bank overdrafts with interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

### 31. LITIGATION

#### Subsidiaries

The Crane Heavy Lift Co., Ltd. (“subsidiary”) received notice from the Department of Legal Execution (as at November 10, 2005) informing it of the cancellation of an agreement and to let the subsidiary pay rent to the official receiver of Mr. Suchin Sittirarat (landlord). The notice stated that the subsidiary has rented the land with title deed no.39562 in Patumthani and that the subsidiary has not paid rent since February 1, 2002 until now (September 30, 2005). The total is 44 installments, so this agreement has been terminated pursuant to clause 12 of the contract. The official receiver informed the subsidiary of the agreement cancellation and that the subsidiary has to return the land by removing everything including people off the land and to make rest of the payment of Baht 13.60 million to the official receiver. Subsequently, on November 25, 2005 the subsidiary denied the debt to the official receiver stating that the subsidiary never had a land rental agreement with Mr. Suchin Sittirarat, contrary to what the official receiver notice alleges, as the subsidiary has an agreement with a subsidiary’s director (see Note 28). As at December 31, 2005 the subsidiary has recorded the accrued expenses in the amount of Baht 2.35 million. Regarding the above accrued expenses, the subsidiary’s director does not accept until the lawsuit is finished. In case the subsidiary has any damage, the subsidiary’s director is willing to deny receiving rent from subsidiary. Therefore, the subsidiary has provided an allowance for any damage. Then, the subsidiary hired UK Valuation and Agency Company Limited as an independent appraiser to appraise such monthly rental fee for the land, which the subsidiary will set up allowance for additional damage on monthly basis following the monthly market rental fee which appraised by an independent appraiser. As at December 31, 2007 the subsidiary has set up an allowance for damage in the amount of Baht 8.94 million. However, if the subsidiary lose more than such provision, the subsidiary’s director will be responsible for totaling such excess.

As at December 31, 2007 The Crane Heavy Lift Company Limited (“subsidiary”) has a litigation case by being sued for a claim of Baht 1.32 million. The case is pending decision in civil court. However, the subsidiary company had still not recorded any potential liabilities.

As at December 31, 2007 The Crane Service Company Limited (“subsidiary”) had litigation as follows:

- A litigation case from being sued involving the services of Baht 1.98 million. However, the subsidiary has already recorded the provision in respect of potential liability of Baht 0.49 million. If the subsidiary has any damage, the subsidiary’s directors will take a responsibility. At present, such case has been in the process of the Appeal Court’s consideration.
- A litigation case from being sued compensation of breach debt confirmation agreement and a litigation case from being sued compensation of fault from cheque approximately of Baht 67.50 million. Such case has been in the process of the Court’s consideration. However, the subsidiary has not yet recorded provision of potential liabilities because the subsidiary has opinion that the subsidiary will not lose. The subsidiary sued litigation to creditor relating overstated debt on April 18, 2007 (see Note 23).

### 32. SUBSEQUENCE EVENT

#### The Company

The Board of Directors’ Meeting held on January 30, 2008, passed a resolution to bring common shares for the increased in the Company’s share capital of 100 million shares offering to the public for subscription shares on February 1, 4 and 5, 2008 at the offering price of Baht 2.80 per share. The Company registered the change in its authorized share capital for such increase in share capital with the Ministry of Commerce on February 7, 2008 (see Note 25)

#### Subsidiaries

On February 18, 2008 The Crane Service Company Limited (“subsidiary”) repaid the remaining of debt restructuring agreement with the second financial institution in whole amount.

On February 12, 2008, The Crane Rayong Company Limited (“subsidiary”) entered into debt restructuring agreement in order to alleviate the condition of repayment debts. According to agreement, the subsidiary repaid such debts by monthly each installment not less than Baht 0.25 million with interest charged at the rate of MLR+1.50% per annum starting the first installment from February 2008 and complete before or within January 2015.

### 33. APPROVAL OF FINANCIAL STATEMENTS

The authorized directors of the Company authorized for issue these financial statements on February 23, 2008.